



Australian Government

FNSASICO503 Provide Tier 1 general advice in general insurance

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to analyse a client's general insurance needs for current Australian Securities and Investments Commission (ASIC) regulation (Financial Services Reform Act) at Tier 1 (Diploma) level in the insurance specialist and generic knowledge areas.

It applies to individuals who have specialist product knowledge (especially relating to personal sickness and accident insurance) and strong interpersonal skills and are expert communicators. In this role, excellent customer service skills relating to the provision of advice to clients is essential.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

ASIC units

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Deal with initial client enquiry for general insurance	1.1 Ensure client enquiries are attended to in timely and courteous manner 1.2 Demonstrate active listening skills when dealing with client enquiries and provide help and assistance to ensure full and accurate completion of initial documentation where required 1.3 Communicate clearly and unambiguously with client to determine and clarify product of interest to client 1.4 Analyse range of products of interest to client to determine

ELEMENT	PERFORMANCE CRITERIA
	categorisation as areas of general advice in line with legislation and organisational policy 1.5 Ensure clients are informed that general advice will be provided to them in relation to products of interest, and that only personal information for underwriting and calculating cost of product will be sought 1.6 Ensure that client is referred to appropriate specialist personnel where required advice is deemed to fall outside category of general advice
2. Prepare general advice to client	2.1 Provide correct disclosure documentation in accordance with legislation and organisational policy 2.2 Provide general advice warning to client in line with legislative and organisational policy 2.3 Consider special communication needs of client when delivering general advice warning
3. Provide general advice	3.1 Provide product advice to client in clear and unambiguous way, avoiding jargon, in language appropriate to receiver and using organisational tools 3.2 Demonstrate appropriate product and industry knowledge when providing advice to client 3.3 Explain and discuss product advice with client using language that avoids giving impression adviser has considered client's personal circumstances in providing advice 3.4 Ask client to consider appropriateness of advice in light of own circumstances 3.5 Advise client to read product disclosure statement before making decision

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.4, 2.1, 2.2	Recognises and interprets textual information from relevant sources

Writing	1.3, 1.5, 2.2, 2.3, 3.1, 3.3-3.5	Uses clear, specific and industry related terminology to record and consolidate workplace documentation
Oral Communication	1.2, 1.3, 1.5, 1.6, 2.2, 2.3, 3.1, 3.2-3.5	- Clearly articulates requirements using industry specific language appropriate to the audience - Uses active listening and questioning to confirm understanding
Numeracy	1.4	Interprets financial product information and completes calculations to achieve required outcomes
Navigate the world of work	1.4, 1.5, 2.1, 2.2, 3.2	Takes responsibility for providing advisory services that comply with legal requirements and organisational products, policy and protocols
Interact with others	2.3, 3.3	- Establishes and uses appropriate conventions and protocols when communicating with clients about service provision - Adapts personal communication style to show respect for the values, beliefs and cultural expectations of others
Get the work done	1.1, 1.2, 1.4, 1.6, 2.1, 2.2, 3.1, 3.2, 3.5	- Takes responsibility for sequence and priority of mainly routine tasks for effective outcomes - Maintains product knowledge required to provide informed, compliant advice in own work role and recognises when client requires specialist advice from others - Uses the main features and functions of digital tools to complete work tasks and provide information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSASICO503 Provide Tier 1 general advice in general insurance	FNSASICO503A Provide Tier 1 general advice in general insurance	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSASICO503 Provide Tier 1 general advice in general insurance

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Performance Evidence

Evidence of the ability to:

- respond to client enquiries and prepare general advice in general insurance
- provide accurate general insurance advice, complying with organisational procedures and industry regulations.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must satisfy generic, core and specialist knowledge requirements relevant to the products and activities in which advice is given.

Generic knowledge

- analyse and provide an overview of the economic environment including:
 - characteristics and impact of economic and business cycles
 - interest rates and exchange rates
 - inflation
 - government monetary and fiscal policy
- analyse and provide a detailed explanation of the operation of financial markets including:
 - roles played by intermediaries and issuers
 - structure and interrelationships within the financial markets
 - interrelationship between industry sectors
- outline financial products including:
 - concept of a financial product – general definition, and specific inclusions and exclusions
 - types of financial investment products

- types of financial risk products.

Core insurance knowledge

- explain the operation of insurance markets including:
 - definition of insurance product
 - characteristics and participants of the Australian insurance market
 - roles played by intermediaries
- types of insurance products including risk insurance products, investment life insurance products and general insurance products
- explain the following aspects of insurance products:
 - conditions, exclusions and levels of coverage of risk transfer products
 - pricing
- explain taxation issues in relation to general insurance products and markets
- describe advisory functions including:
 - role of insurance adviser, broker or agent
 - participants in the insurance advisory services market
 - range of services provided
 - profile and financial information of the client
 - appropriateness of a risk assessment
- discuss the legal environment including disclosure and compliance covering:
 - the role of the representative or adviser
 - relevant legal principles relating to the Corporations Act, Australian Securities and Investments Commission (ASIC) Act, Insurance Contracts Act, Life Insurance Act, Privacy Amendment (Private Sector) Act, Financial Services Reform Act (FSRA) and Competition and Consumer Act
 - relationship between ethics and regulatory requirements including good faith, faith, utmost good faith, full disclosure of remuneration and fees, and any other conflicts of interest which may influence the adviser's recommendation
 - relevant industry standards and codes of conduct
 - regulators' guidelines including ASIC Regulatory Guide (RG)146 requirements
 - complaints resolution procedures (external and internal).

Specialist knowledge

- provide a summary of general insurance matters including:
 - types of general insurance products and policies
 - standard cover and deviations
 - policy wordings
 - taxes and charges
 - insurance claims

- premium rating and risk selection
- reporting
- product development
- underwriting
- terms and conditions of retail general insurance products used by the adviser
- discuss relevant legislative and organisational compliance requirements including:
 - legislation affecting the provision of general and personal advice including ASIC Regulatory Guide 175 on conduct and disclosure
 - role of different advisers within the organisation
 - organisational policy and guidelines related to the provision of general advice
 - details of relevant marketing and disclosure documents, including product disclosure statements and marketing brochures on the relevant products.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the financial services and products advice field of work and include access to:

- office equipment, technology, software and consumables
- organisational records.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>